GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:3237
ANSWERED ON:06.09.2007
AIR INDIA TIE UP WITH STAR ALLIANCE
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Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Air India has decided to be part of the aviation global network and join Star Alliance;

(b) if so, the details thereof;

(c) the benefits expected by this move to both the airlines;and

(d) the details of the terms and conditions of this tie-up?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a),(b),(c) and (d): With a view to enable the new entity formed by the merger of Air India and Indian Airlines to compete globally, the Board of Directors of Air India Limited have approved Air India joining Star Alliance and have recommended initiation of discussions with their Management on the joining process and related activities. The details of the terms and conditions of this tie-up would be worked out once it is finally decided to join this alliance. The main benefits expected to accrue to Air India and its customers by this alliance are:

To Customers: (i) Access to expanded global network/ options with single ticket and seamless travel/transfers;

(ii) Choice of global partner FFPs to earn/burn miles;

(iii) One point access to the entire range of global alliance`s products; and

(iv) Standard quality of service across carriers around the world.

To Air India:- (i) Re-align the international routes network to access new markets;

(ii) Improve profitability through increased feeder traffic;

(iii) Access to best practices, processes, systems;

(iv) Integrate IT systems with Alliance members to enable deeper and more meaningful information sharing;and

(v) Gain access to shared alliance facilities,infrastructure and branding.